

THE MANAGEMENT OF ROAD SAFETY IN NEW ZEALAND

by

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1. INTRODUCTION

I have been asked to present a paper at this conference on the management of road safety in New Zealand. This has to be seen in the light of reforms that have been undertaken in the Transport sector over the last decade. My paper will describe these reforms in general terms, and then outline the changes to the land transport institutions which have occurred. How these institutions co-operate to focus attention on road safety forms the last part of the paper.

2. TRANSPORT REFORM IN NEW ZEALAND

The basis of reform of New Zealand's transport sector in the last decade is a simple model which is being applied to other public sectors to increase accountability and economic efficiency. In this model, policy, regulation and service delivery functions are clearly separated.

The Government has no direct role in the operating environment, but provides the regulatory framework within which commercial enterprises can compete equally and fairly. Government intervention is confined to the safety environment and this is achieved at arm's length through Crown entities.

Key Principles

The model is based on the following key principles:

- Government policy should be clearly separated from regulatory and service delivery functions.

- The ownership and operation of transport systems are best carried out by the private sector on a commercial, competitive basis
- The long-term overall effectiveness of any transport system primarily depends on inter-modal neutrality
- There should be competition within and between transport modes
- Central Government should focus on strategic policy development, taking a multi-modal perspective
- Safety regulation should be a joint operator/government responsibility

The Model in Action

Before reform of the transport sector began in 1984, Central Government's role in transport was pervasive, it had direct control of economic regulation, safety regulation, ownership and operation of transport modes and provision of services to the transport industry

The application of the reform model to the transport sector has seen Central Government withdraw from hands-on management of transport activity to focus on strategic policy issues

Commercial Environment

Legislation governing the supply and pricing of transport services has been repealed. With the exception of safety controls, entry to and exit from the major transport modes are now matters for the individual commercial judgement of operators, as are decisions relating to charging policies. The net effect of this approach has been increased competition and downward pressure on transport prices.

Operating Environment

Commercialisation of government transport operations was planned as a two step process — with many major government transport operations firstly established as State-Owned Enterprises to develop commercial environments and, secondly, privatised, if appropriate

Safety Environment

The safe operation of transport systems is a key public and political concern. People expect the Government to ensure that users of transport systems are not put at undue risk by the operation of those systems. The Ministry of Transport's (MoT) former function of safety regulation has been transferred outside the Ministry to stand-alone agencies representing three transport modes – air, land and sea.

The three safety authorities are vested with statutory powers to set safety standards for their specific transport mode in consultation with industry, to license operators and enforce standards. They are Civil Aviation Authority, the Land Transport Safety Authority and the Maritime Safety Authority.

Each agency has a Board appointed by the Governor-General on the recommendation of the Minister of Transport to represent the public interest. The power to enforce safety standards rests with the Director of each Safety Authority who is independently responsible for issuing and cancelling licences, and has the sole power of prosecution.

The structure of these safety authorities is shown in fig 1.

These structures are directed by the aim of providing safe, sustainable transport at reasonable cost. "Reasonable cost" is defined in legislation as where costs to New Zealand of any safety intervention are exceeded by the benefits to New Zealand of any such intervention. The costs and benefits include social factors as well as the accounting value.

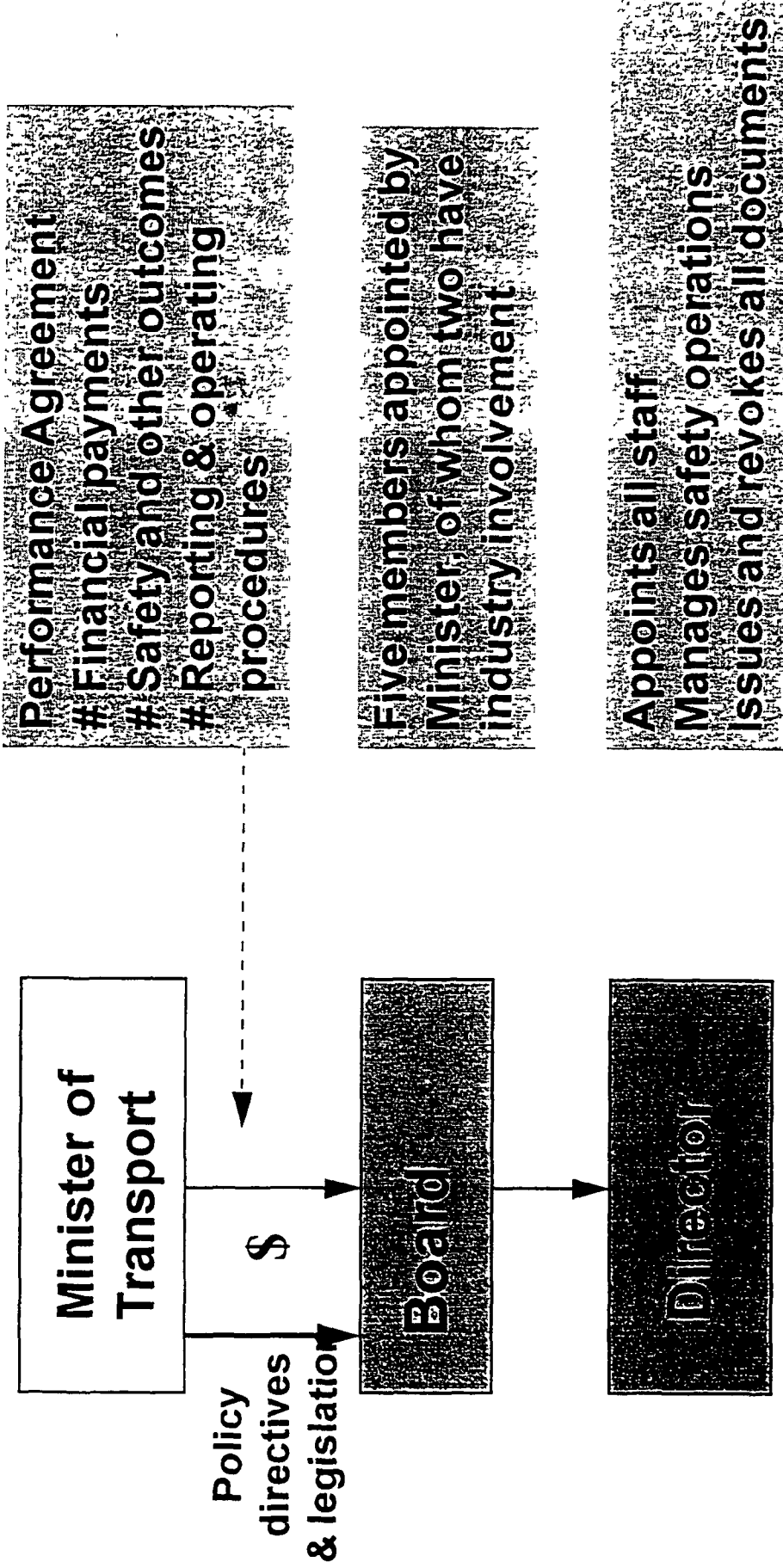
The approach to safety is designed to make individual operators responsible for the safety of their services and to clearly identify the cost of safety in each sector.

Conclusion

While the major elements of the new system are now in place, there remain a number of significant areas that still need attention, such as road transport. While the restructuring of road transport has yet to be completed, aviation, rail and maritime sectors now operate profitably on a commercial basis. In road transport, the model is being applied to the road transport industry, but not, as yet, to the infrastructure.

Safety authorities : Crown entities

Figure 1



Crown entities are not part of the Public Service and are primarily funded by user. They are required to contract out service delivery wherever this is cost effective.

3. CHANGES TO STRUCTURES IN LAND TRANSPORT

In 1980, three major government departments controlled nearly all aspects of land transport. The Ministry of Transport was responsible for all aspects of road usage including traffic law enforcement. The Railways Department ran the railways. Funding for road construction and maintenance was managed by the National Roads Board, a Quango established in 1953, serviced by the Ministry of Works and Development which also provided all components of the activities for the construction and maintenance of the state highway network. In the local authority sector the majority of road design and construction was undertaken by councils' own forces. Urban passenger transport was funded through the Urban Transport Council, set up in 1980, and operations were mainly owned by local authorities.

Railways

The removal of quantity controls in the transport industry began in 1983 when the monopoly of New Zealand Railways on most types of long-distance freight was removed over a three year period, allowing road transport to directly compete for the main long-distance freight markets.

The most dramatic of the restructuring processes has been that applied to New Zealand Railways. First established as a State Corporation and then a State-Owned Enterprise, its staff was reduced from 23,000 in 1982 to 6,000 in 1991, while its key operations - the total railway network and the Interislander ferry service - remained almost unaltered. NZ Rail Limited was sold in 1993 to a consortium, including New Zealand interests, led by US-based rail company Wisconsin Central.

Public Transport

Restrictions on entry to the urban passenger transport industry were lifted in July 1991. From that time, subsidised passenger services have had a system of protective registration, administered by Regional Councils. Publicly funded passenger services, run under contract to Regional councils, have been subject to competitive tendering. School bus services have been similarly tendered out since 1986.

Regional and City Councils were required to establish their municipal bus operations as companies (known as local authority trading enterprises or LATEs) by July 1991. By 1995, only three of the original 11 operations remained in the public sector.

Ministry of Transport (MOT)

In late 1991, the Government announced a major restructuring of its activities in the transport sector most of which had previously been carried out by the MOT

The Ministry of Transport remained directly responsible to the Minister of Transport for all matters related to legislation, long-term strategy for the transport sector, and international issues and agreements, and also for contracts and planning with crown entities

Traffic Law Enforcement

Traffic law enforcement was the responsibility of the Traffic Safety Service, a dedicated branch of the Ministry of Transport. Only a few jurisdictions in the world adopted this model. The Ministry of Transport were responsible for a number of related activities including driver testing, the issuing of driver licences and education in schools. In 1992, this enforcement branch was merged with the New Zealand Police.

Land Transport Safety Authority

The Land Transport Safety Authority (LTSA) was established in 1993. The LTSA's principal objective is to undertake activities which promote safety in land transport at a reasonable cost (Land Transport includes railways).

It is vested with statutory powers to set safety standards for the land transport mode in consultation with industry, to license operators and enforce standards, oversee safety audit and clearly identify the costs of any safety intervention.

The LTSA is accountable to the Minister of Transport in terms of a formal performance Agreement which sets safety outcome targets and outputs. It provides appropriate performance measures and establishes details of the relationship between the Minister of Transport and the LTSA as provided for in the legislation.

Taxi Industry

The Transport Services Licensing Act 1989 removed quantity controls on entry to the taxi industry and government intervention in price setting.

Operator licences for all sectors of the land transport industry are now issued on a “fit and proper person” basis, and the number of these is unrestricted. All licences are now issued by the Land Transport Safety Authority. No financial information is required of any licence applicant.

Road Construction and Maintenance.

In 1987 the Ministry of Works and Development was formed into a State Owned Enterprise, The Works and Development Corporation, which included its consultancy arm, Works Consultancy Services, and its construction arm, Works Civil Construction. After an initial period when it was guaranteed work on the state highway network, it had to compete competitively with private sector companies. The Government has announced recently that the Works and Development Corporation will be privatised.

Transit New Zealand replaced the National Roads Board and the Urban Transport Council in late 1989 and the Land Transport Fund was established for the Government’s land transport-related activities. Competitive tendering of road works was introduced in 1991, and is estimated to have reduced costs by 10-15% per year.

The Transit New Zealand Amendment Act 1995 has further changed the way in which roading is funded and opened the way for the national roading authority, Transit New Zealand, to be restructured into two organisations - Transit New Zealand and Transfund New Zealand. Transit New Zealand retains responsibility for operating the State Highway system, and Transfund New Zealand is the new body responsible for funding State Highways, local roads and passenger transport.

In terms of local roading operations, local authorities are now required to institute competitive pricing procedures, progressively over the next 2 years, to deliver maximum value for all work carried out on roads.

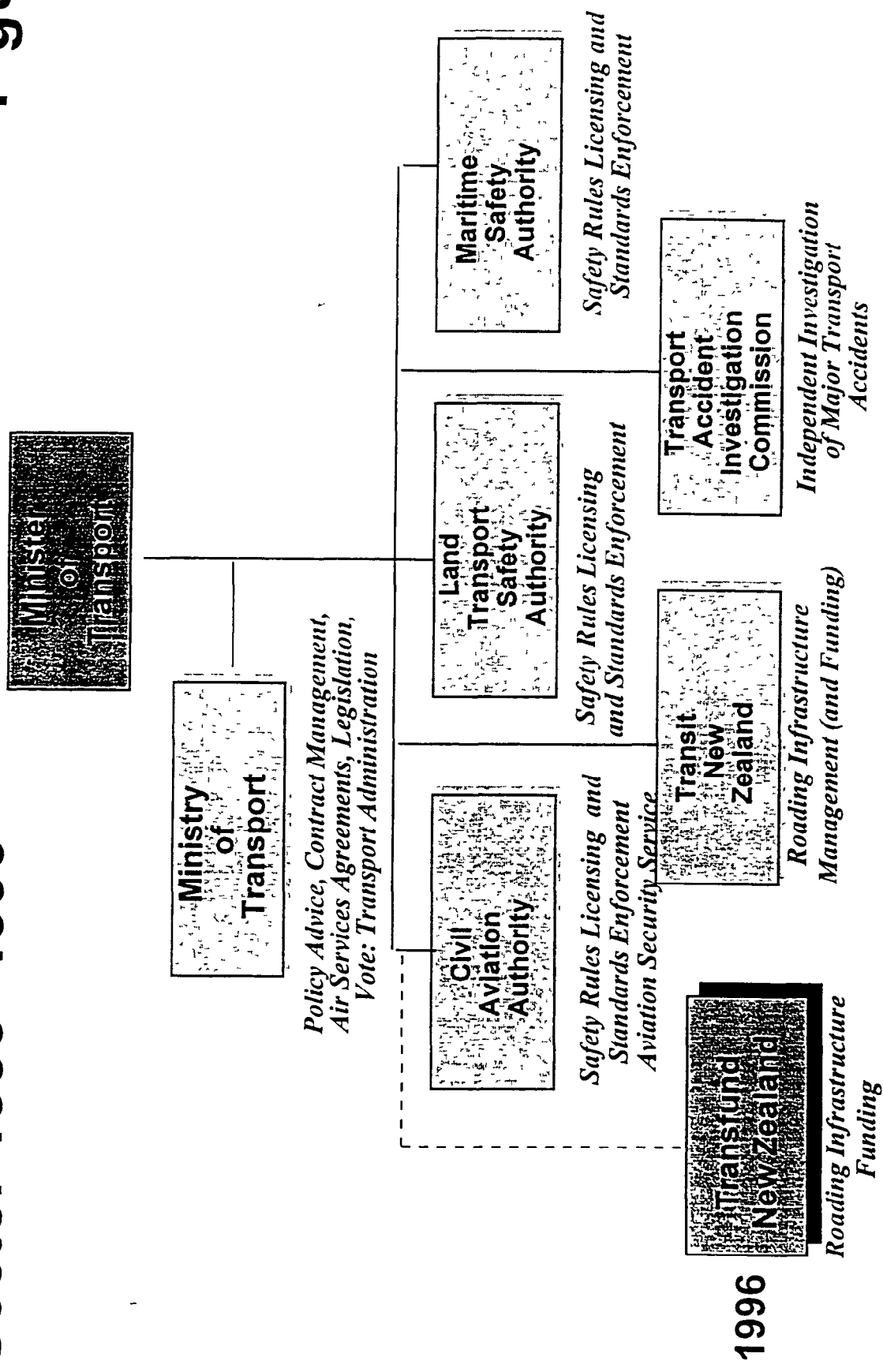
The structure of the government transport sector today is shown in fig 2.

Safety Environment Reform

Historically, the safety of transport systems was controlled by direct Government intervention. Responsibility for transport safety formerly rested, at least implicitly, with

Government Transport Sector 1995- 1996

Figure 2



Aspirations: Complete the 1996/97 Budget	Air Traffic Control Services	SOE
Activities: Road Safety Education	Vehicle Testing and Audit Services	SOE
1996: Infrastructure Development	Freight Services and Warehousing	SOE

government agencies that relied on direct, constant and labour-intensive inspections of operators and vehicles. This still applies to the large private vehicle market.

These quantitative controls failed to address the real question of responsibility for transport safety and is being replaced by a quality-based approach - the safety audit.

The goal is for the LTSA to set the minimum safety standards for entry to the particular sector of the transport industry. Operators will be monitored - or audited - on a regular basis to ensure that their quality management systems are functioning properly. If corrective action fails to ensure a safe operation, then the LTSA will take action to ensure that unsatisfactory operators are removed from the industry.

As all audits will be carried out at the operators' expense on a time-taken basis, there will be a commercial incentive for operators to ensure that their safety management systems are working well. Under safety audit, the most cost effective option for operators is to be safe. While this is a goal, there is still much work to be done to implement the model.

Although there is now less direct Government intervention, safety regulation of the New Zealand transport industry is more extensive and comprehensive. For instance, tow truck operators are now subject to safety licensing. Any operation, however small, that involves the use of heavy road freight vehicles is subject to ongoing monitoring of safety standards.

Conditions of entry for operators are changing substantially. In place of detailed financial investigations, nominally designed to test a notional ability to survive in a particular transport sector, applicants for transport operator licences face procedures that assess management systems.

Safety audit systems must also have a mechanism to remove operators from the transport sector if they consistently fail to meet required standards. Increasingly, this "exit function" is implemented by licence suspension or revocation as an administrative action, with appropriate rights of appeal to the Court system.

The private motorist, as opposed to the industry, is a major factor in achieving safety targets. While safety audit is applicable to industry, many road safety projects aim at improving the performance of the individual road user.

4. MANAGEMENT OF ROAD SAFETY IN NEW ZEALAND

There are many agencies responsible for aspects of road safety in New Zealand. The main ones are

- The Ministry of Transport responsible for provision of overall policy advice to the Minister of Transport, legislation and long term strategy development
- The Land Transport Safety Authority responsible for establishing standards for entry to the system and monitoring adherence to them, reviewing the Land Transport system and investigating crashes. It is also responsible for managing the Safety (administration) programme referred to later
- The New Zealand Police responsible for Traffic Law enforcement, driver testing, heavy vehicle regulation enforcement (Driver testing is progressively being privatised)
- Transit New Zealand responsible for managing the state highway network and providing financial assistance to local authorities
- Local Authorities

Other agencies with a more limited and focussed, but nevertheless important, interest in road safety include Ministry of Justice, Youth Affairs Department, Internal Affairs Department, Alcoholic Liquor Advisory Council, Automobile Association, Accident Rehabilitation and Compensation Insurance Corporation, Te Puni Kōkiri (Māori Affairs), School Trustees Association, Local Government Association, Health Department, and Community Groups

While each of these agencies have their own roles and responsibilities, there is a need for effective coordination and cooperation between agencies. The model adopted in New Zealand is similar to those which exist in Australian states. Mechanisms to achieve this are in place at the national level and in many local and regional areas

Funding and Planning

There are two main mechanisms for funding road safety activities, The Safety (Administration) Programme, the S(A)P, and the National Land Transport Programme, the NLTP. The former is produced and managed by the LTSA in consultation with the Police and Local Authorities, principally. The S(A)P funds the Police Road Safety programmes,

the activities of the LTSA, and community projects like the Community Alcohol Action Programmes (CAAP)

The NLTP, administered at present by TNZ, funds road maintenance and construction on state highways, provides financial assistance to local authorities for the same. Much of the expenditure on road maintenance and construction has a road safety component. In addition the NLTP provides financial assistance to Regional Councils for public passenger transport.

The key strategic road safety document is the National Road Safety Plan (NRSP). It was prepared by the Officials Committee on Road Safety and published in 1991. It was updated in 1995 and sets ambitious safety targets. Recent legislation requires the creation of a National Land Transport Strategy, and this is likely to include the NRSP. The key agencies ensure that their annual plans are compatible with the NRSP.

National Level Coordination

- Parliamentary Select Committee on Road Safety, who scrutinise proposed legislation and policy, receive reports from officials and give general direction on priorities and resources
- National Road Safety Committee (NRSC) comprising the Chief Executives of the Ministry of Transport, New Zealand Police, Land Transport Safety Authority and Transit New Zealand. They are soon to be joined by the Chief Executive of the Accident Compensation Corporation
- The National Road Safety Working Group (NRSWG) comprising officers of the organisations represented on the NRSC
- The National Road Safety Advisory Group (NRSAG) comprising members of many national agencies and organisations with an interest in road safety
- The National Road Safety Publicity Committee (NRSPC) comprising the Communications Managers of organisations represented on the NRSC
- A national education group has been proposed but has not yet been formed

In addition, there are more informal structures, for example, the LTSA hold an annual meeting with the regional and local road safety co-ordinators funded through the S(A)P

Traffic engineers from national and local government as well as consultants meet annually at the Traffic Management Workshop

The relationships between these coordinating bodies are shown figure 3

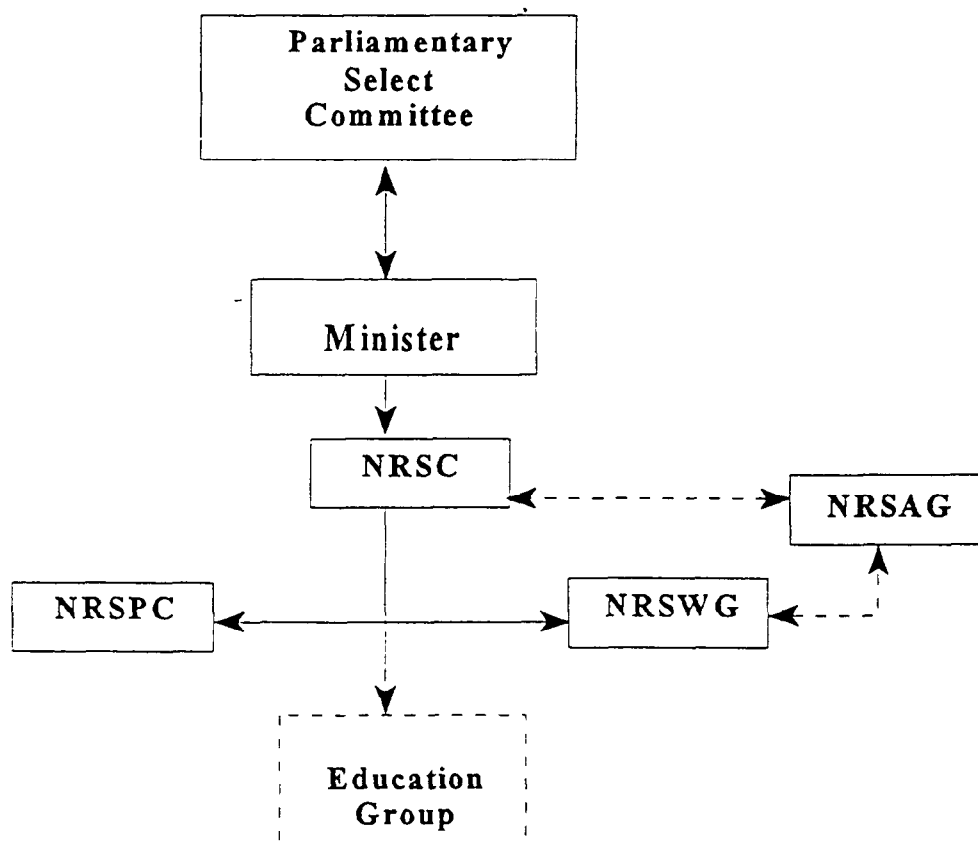


Figure 3. National Level Road Safety Co-ordination

Local Level Coordination

Regional councils are responsible for developing the Regional Land Transport Strategy which must take account of safety. Regional councils are encouraged to undertake the overall coordinating role for road safety activities within the region as a whole. It is sometimes appropriate for other organisations to accept the regional role.

At the local level there is a diversity of interest, ranging from the local arm of state organisations, to local government, to community groups

It is important that the diversity of key local interests is represented in the group that has responsibility for coordination. This includes local government, state agencies, education interests, Maori groups, road user groups and transport industry groups where this is appropriate

5. CONCLUSION

The reform of the Transport sector in New Zealand has been far reaching. While the reform of the aviation and marine sectors are far advanced, there is still much work to be done to implement the safety audit model in the land transport sector. The issue of performance measures for the agencies responsible for road safety needs further development. The present measures rely too much on input measures, rather than output or outcome measures.

Under the new structure, the responsibilities of each agency are clear. The challenge now is for all these agencies to cooperate and coordinate their strategies and programmes. This can be achieved through the National Road Safety Committee.

The road toll in New Zealand peaked in 1987 when it stood at 795. Despite increasing traffic volumes, the road toll has been declining. In 1995 it was 580. The first quarter of 1996 shows the trend is continuing. This is good news, but it is incumbent upon all agencies to build on these gains and strive for further improvements.

6. ACKNOWLEDGEMENT

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